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Civic leaders in San Bernardino County are selling themselves - or at least their cities - to attract businesses and investment into targeted sectors.

Brian McGowan, economic development agency administrator of San Bernardino County, is leading the campaign to attract and facilitate business and commercial real estate development.

As the largest county in the continental United States comprising 24 cities and 2 million residents, San Bernardino is attracting attention from developers. City leaders, however, want to control how that growth happens. And that means taking its marketing campaign international.

"If we were a country, our GDP would rank 39th in the world," McGowan said. "We are at a crossroads. We can either sit back and let development occur, or we can provide leadership."

McGowan identified a number of key industrial sectors that the county government is targeting for business retention and expansion, including medical device manufacturing and biotechnology, aerospace and aviation, alternative fuels, automotive, retail development, tourism and logistics.

"We want to let businesses know that we are raising the standard," he said. "Our workforce development department wants to make sure that we have a world-class workforce to attract the kinds of industries we want to invest here and provide higher-paying jobs. We leverage workforce development dollars in order to provide specific and customized training programs."

The unemployment rate in the county of San Bernardino is 4.7 percent, lower than the state's 4.9 percent.

"We offer companies the advantage that we can help get their businesses up and operating," McGowan added. "We can help with infrastructure, and we have a community development housing department to identify workforce housing projects near jobs."

The High Road to China

While local and national retailers are being drawn to San Bernardino because of the residential growth, city and county officials are working to create overseas business opportunities in China in order to promote development in the local economy.

The county in November sponsored a mission to Hong Kong, Shenzhen and Guangzhou in order to facilitate international trade among local businesses. McGowan and his team will be representing 18 businesses from San Bernardino during the mission to China. The county also has hired a consultant in Shenzhen.

"If we can help a company find a new contract in China, it means more jobs in the county," said McGowan, who is leading the mission to China. "We are also looking for opportunities to bring foreign direct investment from China to San Bernardino."

Ontario also is promoting business opportunities actively in China. The city also has contracted a consultant in Shenzhen, who has been operating there for six months. The city has led four trips to China with a number of local firms.

Ontario officials want to help establish relationships between local firms and suppliers and customers in China.

"We arrange matchmaking meetings for local businesses looking for opportunities in China, and we set up meetings appropriate to that business," said Mary Jane Olhasso, economic development director of the city of Ontario. "For example, say a firm is trying to sell brass ingots into China, where plumbing fixtures are being made. We can set up those meetings between our company here and the customer there.

"We tell our businesses, 'We want you to make a lot of money in Ontario,' because if they're making money, we're making money," she added.

Meanwhile, the U.S. trade deficit with China continues to rise to record levels, hitting \$143.3 billion as of August, according to the Department of Commerce. That is a 13 percent increase year-over-year.

Victor Valley: The New High Desert

A few years behind its Inland Empire neighbors, the High Desert is launching its own marketing campaign to attract those local and national retailers.

A cooperative effort is under way between the county and the four main cities of Victor Valley to promote local development through a marketing alliance.

Organized through the Victor Valley Economic Development Authority, city and county officials are trying to attract businesses that are best-suited to the local environment, according to Collette Hanna, business development manager of Victorville.

"Our marketing campaign push is to promote the Victor Valley as one of the last low-cost areas in the state, but still within reach of Southern California, with close proximity to the ports and the huge retail markets," Hanna said.

The Victor Valley Economic Development Authority conducted a marketing assessment to determine the types of businesses with operations that are most appropriate to the area. Based on the results of the marketing study, Hanna said the three main industrial sectors with the most potential for development in the local economy are warehousing and distribution centers, manufacturing and retail.

Logistics already has a foothold in the High Desert. Apple Valley has 4,000 acres of industrially zoned property, on which Wal-Mart has 1 million square feet of space in its distribution facility.

The local warehousing and distribution industry is closely connected to the Southern California Logistics Airport in Victorville, which serves as the epicenter of development for Victor Valley, area officials said. Formerly George Air Force Base, the facility has 5,000 acres that are master-planned for industrial and office park developments. With a workforce of 2,000 employees, officials predict employment at the airport will rise to 15,000 over the next 10 years.

General Electric selected the Southern California Logistics Airport as the location for its Engine Flight Test Center, a \$20 million complex of hangars, offices and maintenance facilities built on 13.1 acres.

Other firms in the local aviation industry include Leading Edge Aviation Services, which is an aircraft painting company, and Pratt & Whitney, which has operations in aircraft service and testing.

The Southern California Logistics Rail Complex, which is planned for 3,500 acres, should increase trade to and around the airport.

Although industrial and logistics operations had a comfort level locating in Victor Valley, retailers are just starting to foray into the area.

"The retail market is following the rooftops," Hanna said. "The area has seen phenomenal growth, averaging 8 to 10 percent annual growth in population in the Victor Valley."

Census data show a demographic explosion in Victorville, where the population increased 45 percent to 93,000 from 2000 to 2005. Local officials expect the total population of the Victor Valley to rise to 351,356 by 2015.

"The population growth is driving the retail market," said Chad Fonceca, an associate with **Lee & Associates**. "Right now, it's hard to find a place to lease within the next couple of months. We are waiting for new construction to put more space on the market."

"A lot of national retailers are looking to establish multiple locations in the area," he added. "The hottest spot right now is Bear Valley and Apple Valley Road in Apple Valley. Once that is built-out, then the next prime location for development will be the 395 Corridor in Victorville and Adelanto, where Stater Bros., Starbucks, Longs Drugs and Baskin-Robbins have just opened new retail locations."

Additionally, there are a number of large retail projects on the drawing board for development along Main Street in Hesperia, including a Wal-Mart Supercenter, Home Depot and Target, according to Fonceca.

With logistics and retail seeking out Victor Valley on their own, the marketing alliance is targeting manufacturing, touting the region's relatively inexpensive utilities, gas and electricity - as well as less-expensive property for large-scale operations requiring large parcels of land. Another advantage for manufacturing is the comparatively low air-quality standard of the Mojave Desert district, which makes it an ideal location for large-scale heavy-industrial operations, according to the city and county officials.

San Bernardino County is supporting the marketing alliance in the Victor Valley by helping to coordinate efforts between the local cities and the unincorporated areas of the High Desert.

"No matter where development is located in the county, the county benefits because it generates property tax," McGowan said. "We are going to provide support to cities to make sure that they are able to attract businesses. Without the services that the county provides, the cities wouldn't be able to grow."

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